

Arizona's Transportation Network

A Key Economic Driver

*Alan E. Maguire
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The Maguire Company

Arizona's Transportation Network

Transportation is Foundational

- *Traditionally a “Shared Responsibility”*
- *Federal Highway Trust Fund*
- *Arizona Highway User Revenue Fund*
- *Local Street and Road Funding*



Arizona's Transportation Network

Transportation is Foundational

- ***Federal Highway Trust Fund***
 - ✓ ***Pending Funding Cliff***
 - ✓ ***Trust Fund is Insolvent***
 - ✓ ***Surviving on General Tax Transfers***
 - ✓ ***Decades Since Last Increase***



Arizona's Transportation Network

Transportation is Foundational

- ***Arizona Highway User Revenue Fund***
 - ✓ ***Erosion of Fuel Tax Revenues***
 - ✓ ***Decades Since Last Increase***
 - ✓ ***Over \$1 Billion shifted out at State level***
 - ✓ ***Pressure on ADOT and Local Budgets***



Arizona's Transportation Network

Transportation is Foundational

- ***Local Street and Road Funding***
 - ✓ ***Historical Reliance on Shared HURF***
 - ✓ ***Erosion of Buying Power***
 - ✓ ***Aging Roads = Higher Maintenance Costs***
 - ✓ ***Pressure on Local GF Budgets***



Arizona's Transportation Network

Transportation is Foundational

- ***Local Response:***
 - ✓ ***More Local Self-Reliance***
 - ✓ ***Growing Transfers***
 - ✓ ***Underfunding – Especially Preservation***



Arizona's Transportation Network

Transportation is Foundational

- ***Response Elsewhere:***
 - ✓ ***Over A Dozen State Tax Increases***
 - ✓ ***Some Innovative Approaches***
 - ✓ ***More Local Tax Initiatives***
 - ✓ ***Continued Underfunding***



Arizona's Transportation Network

Transportation is Foundational

- *Growing recognition of “Crisis”*
 - ✓ *Heightened Legislative Awareness*
 - ✓ *More Openness To Higher Tax Rates*

Even Truckers! -- “Better than Tolls!”



Arizona's Transportation Network

Transportation is Foundational

- *Connection to Markets*
- *Essential to “Tradable Sector”*
- *Optimizes Arizona's Unique Location*
- *Key to Economic Vitality*



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